

Passenger Car Sales Could Rise 15% by Year's End

By [The Moscow Times](#)

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Sales of passenger cars may reach 1.6 million by the end of the year, making for an annual increase of 15 percent, according to a report released Wednesday

Although sales dropped 50 percent in 2009 after the onset of the global financial crisis, the flagging passenger car market kicked into overdrive this year with the introduction of the cash-for-clunkers program, which allows consumers to trade in an old car for a 50,000 ruble (\$1,640) voucher toward a new one.

Sales may reach 1.3 million to 1.6 million cars this year, possibly exceeding the pre-crisis record of 1.5 million, said the report, by PricewaterhouseCoopers.

The Industry and Trade Ministry has projected that the second stage of the cash-for-clunkers program would boost the market by an additional 5 percent.

The number of passenger cars sold jumped by 3 percent in the first six months of the year on average, with sales of domestically assembled foreign brands increasing by as much as 49 percent, the report said. Total sales in ruble terms grew 9 percent on average in the first half due in large part to a 7 percent increase in the average car price.

With the launch of the cash-for-clunkers program and an increase in import tariffs, sales of domestically produced foreign brands have grown 32 percent, while sales of imported cars have fallen 23 percent.

A program subsidizing auto loans has resulted in more loans being given out in the first half of 2010 than throughout 2009. About 76,000 subsidized loans have been approved this year, the report said.

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